

I mourn Henry Knott's death along with his family and the rest of Maryland. We will miss him greatly. However, I am very grateful that he was with us for 89 years, and I rejoice that he left Maryland and our Nation a better place than he found it.●

TRIBUTE TO PATRICIA WILBUR

● Mr. HATFIELD. Mr. President, it is unfortunately true that all good things must come to an end. On November 30, 1995, one of the best members of my staff will retire. Patricia Wilbur joined the staff on October 7, 1973, and will soon be joining her husband Perry in a long-deserved respite from the clamor of Capitol Hill.

Pat's career is a virtual survey of the technological revolution's impact on the Senate. As my office's systems administrator, Pat has witnessed the transition from typewriters and mimeograph machines, rotary phones and telegrams, to the world of faxes, pagers, cellular phones and computers. Pat has overseen this transformation with grace and humor as well as consummate professionalism.

The contribution of a good staffer often goes beyond their technical ability. This is especially true with Pat. Fondly known as Mrs. Wilbur to several generations of staffers, Pat has helped shaped the lives of young Oregonians who wish to serve in the U.S. service academies and helped us all to be more efficient in our jobs. Pat has added to our hearts with her generosity and expressions of concern and added to our waistlines with her delicious home-baked cakes.

During her 22 years in our office, Pat has been a laudable embodiment of hard work, dedication and loyalty. She and I have grayed together—she far more gracefully than I. Pat has many good reasons for retiring, but three—her grandchildren Stephanie, Michael, and Julie—are the best. We will miss her institutional memory, her compassion and love as well as her competence but have nothing good wishes as she ends her Senate career.

I am deeply grateful for Pat Wilbur's many years of invaluable assistance and ask my colleagues to join me in offering our thanks for her service to the U.S. Senate.●

TWO SIDES AGREE ON OPPOSING GAMBLING

● Mr. SIMON. Mr. President, Father Robert Drinan, former Member of the House, had a column in the National Catholic Reporter recently that is of interest.

It points out where Catholics and Christian Coalition people can work together, and it is an area where liberals and conservatives can work together.

That is the growing problem of gambling.

I ask that the Robert Drinan column be printed in the RECORD.

The column follows:

TWO SIDES AGREE ON OPPOSING GAMBLING

(By Robert F. Drinan)

I was happy to discover recently that I agree with the Christian Coalition on at least one issue: opposition to gambling. Ralph Reed, the coalition's executive director (and a Presbyterian who looks like an altar boy) says that his organization may help finance an antigambling office in Washington. Reed asserts that his organization is "pounding away" at casinos and lotteries.

A conservative Colorado group named Focus on the Family is also pushing an antigambling agenda. Gambling foes are planning their first national convention in Florida. Keynote speaker is Congressman Frank Wolf, a conservative Republican from Virginia who is working aggressively against government-sponsored gambling.

It is far from clear that any coalition of antigambling groups can reverse the explosive growth of this form of entertainment. Lotteries, casinos, riverboat gambling and an ever-widening array of slot machines and other devices took in \$482 billion last year.

Substantial sums from that take have gone to Republicans, including leading presidential candidates. Sen. Robert Dole took in \$477,450 from gambling interests in Las Vegas, Nev. Sen. Phil Gramm of Texas has also benefited.

A further sign of entanglement: The former chairman of the Republican National Committee, Frank Fahrenkopf, is now the head of the American Gambling Association, the industry's trade group.

Daily and vehemently, the new Republican majority in the Congress proclaims agreement with the Christian Coalition on abortion, school prayer and welfare. But when it comes to gambling, the GOP is trapped between its devotion to the Christian Coalition and its desire for campaign contributions from the gambling industry.

Will the Christian Coalition use its newfound power in Congress and some Southern states to reinstate laws against gambling—laws that religious groups, Protestant and Catholic alike, fought to get on the books a century ago?

A clash before next year's presidential election is unlikely. Recognizing that the crusade against gambling is all but a lost cause, even the most ardent adherents of the Christian Coalition's agenda are not about to expend political capital telling state lawmakers to abolish gambling and tax their people fairly.

A further complication is that most Americans have never really focused on gambling's evils. It appeared on the American scene as a phenomenon that is odorless, invisible and inaudible. Hardly anyone is angry or indignant.

Still, the potential for scandal and corruption in the exploding gambling industry is so vast that almost anything could happen.

The protests of the Christian Coalition against gambling should be welcomed by all citizens and persons of faith. The desire to get something for nothing and the fantasy that we can be millionaires overnight are arguably the product of a sinful heart.

Count of Catholics, Mr. Reed, for support. On this issue, Catholics and the Christian Coalition are reading out of the same prayer book.●

NURSING HOME QUALITY AND THE BOREN AMENDMENT

● Mr. DORGAN. Mr. President, there has been considerable discussion on the Senate floor about the proposed changes to Federal nursing home quality standards.

In addition to making major cuts in projected Medicaid spending, early versions of the 7-year budget plan would have repealed entirely the nursing home standards adopted in 1987 as part of the Medicaid law. The final House-Senate compromise bill recently adopted by the Congress did not go that far, but it would weaken or eliminate several of these standards and would allow States to get waivers from the remaining Federal requirements.

Several of my colleagues have come to the floor to remind the Senate of the conditions in some nursing homes which led to the adoption of these standards in the first place.

Now I do not believe that all or even most nursing homes drugged or restrained their residents unnecessarily before the quality standards were put in place. Nursing homes in my State have a strong record of providing quality care.

But it is undeniable that some nursing homes did engage in these practices. And it is also undeniable that some states were too slow in putting an end to this kind of abuse. Therefore, I continue to believe that there should be minimum Federal quality standards, especially since the majority of Medicaid funding for nursing homes comes from the Federal Government.

However, one critical point which has not received as much attention in this debate is the ability of nursing homes to maintain the quality of their care—Federal standards or not—in the face of significant reductions in Medicaid reimbursement. As we all know, the budget plan would reduce by \$163 billion future Federal funding for Medicaid. But that is not all.

A little noticed provision of this plan to turn the Medicaid Program into a block grant to the States is the repeal of the Boren amendment. The Boren amendment currently requires States to provide reimbursement to hospitals and nursing homes which is reasonable and adequate to cover their costs. This has provided critical protection from state attempts to cut Medicaid reimbursement below levels necessary to deliver quality care.

My fear is that repealing this protection is part of a deal with the States so that they will accept significantly reduced Federal funding for Medicaid. The budget proposal tells States to make due with less funding, but it allows them to, in effect, shift that funding shortfall onto nursing homes and hospitals. Well it may make the numbers add up, but what will it do to the care these institutions are able to provide to their patients?

So as we continue to debate the various changes which have been proposed to the Medicaid Program, let us not forget that Federal quality standards are not the only part of the Medicaid Program that impact quality of care. The \$163 billion in cuts, combined with the repeal of the Boren amendment are also a great threat to the quality of

care received by Medicaid beneficiaries. I believe the Boren amendment must be preserved in any final compromise on the budget, and I intend to fight to see that it is. •

TRIBUTE TO ISRAEL COHEN

• Ms. MIKULSKI. Mr. President, I rise today to pay tribute to a great man and a great friend. Late last Wednesday, Israel Cohen, the chairman of Giant Food, passed away at 83.

Mr. Cohen came to this country as a young boy and learned the grocery business in his father's store on Georgia Avenue—one of the first self-service stores of its kind in the country. From this beginning, Mr. Cohen built the Giant Food & Drug empire. In a rapidly changing retail food market, Mr. Cohen survived and prospered through innovation. He experimented with selling items under private labels to cut costs and his stores were the first in the country to use scanners at the checkout counters.

Mr. Cohen was more than simply a successful businessman. He knew that the success of his business was directly related to the health and well-being of his employees. He was a man who always had time to visit with his employees, no matter how busy he may have been. He created a family atmosphere with his employees, refusing to be called Mr. Cohen, but insisting on Izzy. And he worked as hard for them as they did for him. His employees tell of waiting around after putting in a full shift to meet and shake hands with him. Mr. Cohen recognized the value and importance of every single worker at his stores, from the President of the company to the high-schooler who bags groceries on Saturday afternoons.

Mr. Cohen was dedicated to providing the best service possible. Even if that meant he had to jump in behind a cash register and bag a customer's groceries himself. This is a lesson from which every American should learn. •

ON THE ADVISABILITY OF NOT DEFAULTING

• Mr. SIMON. Mr. President, we have had a variety of sources telling us that the Nation should not default on its obligations because of the debt limit.

It should hardly be necessary to stress that. If we create debt, we have to pay for it. For that reason I have consistently—with one exception—voted for extending the debt limit whether it was a Democratic President or a Republican President. The real choice is when we create the debt. Once it is created we have to face up to it.

But a publication which probably has limited circulation that I have come to respect is Grant's Interest Rate Observer, published by James Grant.

His November 10 issue has a front page commentary titled, "On the Advisability of Not Defaulting."

It approaches the question of default from a slightly different perspective

that I believe my colleagues should note.

I ask that the commentary be printed in the RECORD.

The material follows:

[From Grant's Interest Rate Observer, Nov. 10, 1995]

ON THE ADVISABILITY OF NOT DEFAULTING

Over the past 12 months, the 30-year Treasury bond actually delivered a higher total return than the stock market (source: the authoritative center pages of this publication). The margin of outperformance, 32.92% to 29.60%, was remarkably strong for an asset class that is under the cloud of default.

It would be better if there were no default, we think. Over the past 46 years, according to our friends at Ryan Labs, income contributed a little more than 100% of the total return of the overall Treasury market. Thus, the contribution of capital gains to the same calculation—the bear market lasted for 34½ years, until September 1981—was less than zero.

Because the bond is an income security, low interest rates work a hardship on bondholders. Default would work the ultimate hardship. To achieve the identical 32.92% total return in the next 12 months, Ryan calculates, the current 30-year Treasury would have to rally to a yield of 4.59%. Over the past five years, the long bond has produced a total return of 12.35%; to reproduce that feat in the next five years would require a rally to 3.60%. To match the past decade's total return of 11.48%, the 30-year Treasury would have to rally to 0.29%. Repeat: 0.29%.

Since May 1974, bonds have delivered 12-month total returns in excess of those achieved by stocks in no fewer than 110 months, a fact almost guaranteed to win a bar bet from any stock market chauvinist who insists that the returns to management, diligence, hard work and ingenuity should, by right, exceed those to coupon clipping.

Perhaps the creditor class isn't finished yet. As the graph on pages six and seven points up, bond market out-performance is rarely a one-month flash in the pan; it tends to roll on. But that is a question of relative return. The immediate risk of default is one of absolute performance, not in the short run but over the long pull. One long-term risk is the precedent of default (to be technical, this would be the second American default; in 1933, the government abrogated the contracts under which it had promised to pay gold to its bondholders). A second is that the temporary nonpayment of interest and principal would cause intelligent people to reexamine the nation's monetary institutions. Wondering about the whereabouts of their money, they might turn to the Federal Reserve's balance sheet. Reading it, they would observe: non-interest-bearing currency on the liabilities side; Treasury securities on the asset side. Their eyes would flash to a footnote: \$484 billion in Treasuries held in custody by the Federal Reserve for the account of foreign central banks.

A very intelligent American reader would come to appreciate that he or she is the beneficiary of a vast fandango. The world has willingly come to accept the promises of this government, either in interest-bearing or non-interest-bearing form. The half-trillion dollars or so worth of dollar securities visibly held by foreign central banks constitute the evidence not of American strength but of weakness. Mainly, they represent the track of currency intervention. Buying dollars, the central banks turn them in for U.S. government securities. It is an indirect gift.

Another subversive feature of a Treasury default is that it would turn the spotlight on other classes of non-interest-bearing invest-

ments. Of these, perhaps none is so lowly as gold, which this year has caused even its few remaining friends to despise it. However, notes Peter McTeague, of MCM TradeWatch, Boston, gold option volatility has collapsed, speculators are short the market, central banks are hostile toward it and producers continue to sell the metal forward (the proof of which is a gold lease rate that has surged to 2.3% from 1.8% in the past month: even at the lower yield, it would represent towering value in the Japanese bond markets). On Tuesday came news that the output of the South African mining industry is closing in on a 40-year low; a spokesman for the Anglo American Corp. described the country's gold operations as being in a "state of managed decline." The other day, a friend described his own growing, unfashionable bullishness toward gold. However, he added before hanging up: "I'm not sure I want my name used with this." It has been a vale of tears. •

COMMON SENSE PRODUCT LIABILITY REFORM ACT

Mr. PRESSLER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 956, a bill to establish legal standards and procedures for product liability litigation, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House disagree to the amendment of the Senate to the bill (H.R. 956) entitled "An Act to establish legal standards and procedures for product liability litigation, and for other purposes", and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That the following Members be the managers of the conference on the part of the House:

From the Committee on the Judiciary, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Mr. Hyde, Mr. Sensenbrenner, Mr. Gekas, Mr. Inglis of South Carolina, Mr. Bryant of Tennessee, Mr. Conyers, Mrs. Schroeder, and Mr. Berman.

As additional conferees from the Committee on Commerce, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Mr. Bilely, Mr. Oxley, Mr. Cox of California, Mr. Dingell, and Mr. Wyden.

Mr. PRESSLER. I move that the Senate insist on its amendments, agree to the request from the House for a conference, and that the Chair be authorized to appoint conferees.

The motion was agreed to; and the Presiding Officer (Mr. GORTON) appointed Mr. PRESSLER, Mr. GORTON, Mr. LOTT, Mr. STEVENS, Ms. SNOWE, Mr. ASHCROFT, Mr. HOLLINGS, Mr. INOUE, Mr. FORD, Mr. EXON, and Mr. ROCKEFELLER conferees on the part of the Senate.

MEASURE READ FOR FIRST TIME—S. 1432

Mr. PRESSLER. Mr. President, I send the enclosed bill to the desk and ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The assistant legislative clerk read as follows: